GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce (Prog.III) Department - Proposal of M/s Pearl Beverages Ltd., for establishing a new project for manufacturing of soft drinks with juices and without juices and Aerated drinks at Peddapuram, East Godavari District and Atchutapuram Industrial Estate, Visakhapatnam District -Request for sanction of subsidies/incentives- Orders-Issued.

INDUSTRIES & COMMERCE (PROGRAMME-III) DEPARTMENT

G.O.MS.No. 51 Dated: 20-04-2016

Read the following:-

1) G.O.Ms.No.57. Ind & Comm (Prog.III) Deptt., dated 24.7.15
2) From M/s Pearl Beverages Ltd., New Delhi, addressed to the Secretary, FP, dt.20.01.2016.
3) Note received from the Chief Executive Officer, A.P., Food Processing Society, Hyderabad, dt.08.02.2016.

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ORDER

In the reference 2nd read above, M/s Pearl Beverages Limited, New Delhi has stated that the CK.Jaipuria Group is one of the large investor in Andhra Pradesh State since 1994 and the Group is one of the largest bottling partners of PepsiCo, India in the Country. The company is doing large bottling operations in Visakhapatnam and Guntur apart from the units in North India. He proposed to invest in a Mega Project in the land allocated by APIIC in Atchutapuram Industrial Estate, Visakhapatnam District. He has further stated that since the Carbonated Beverages (soft drinks without fruit juice) is in ineligible list as per Andhra Pradesh Food Processing Policy. He has requested to consider extending the incentives on par with other eligible Food Processing Industries, and also stated that none of the neighbouring States have categorised this Industry in the negative list for incentives and are going all benefits/incentives as per their respective State Policies. He has further stated that the New Andhra Industrial Policy clearly states that a Tailor made incentive package will be offered in the case of Mega Projects.

2. They have further stated that they are willing to invest Rs.100 Crores in a phased manner in the purchase of land, building, plant and machinery (which shall also include injection moulding machine for manufacturing performs used for making pet bottles for manufacturing of soft drinks with juices, without juices and water) electrical equipments, gen-sets, forklifts, visi coolers, delivery vehicles, grass bottles and crates etc., thus qualifying under this Mega Project status. They desired the following incentives

i. Tax Incentives: 100 % of net VAT/CST/SGST to be reimbursed for a period of 7 years from the date of commencement of commercial production.

ii. Interest Subsidy: Govt., of Andhra Pradesh to offer interest subsidy of 7% per annum on term loan taken for a period of 5 years from the commencement of operations.

iii. Capital Subsidy: For Establishment of new Food Processing Units, Govt., A.P., will provide capital subsidy to an extent of 25% of project cost (includes plant & machinery, civil works) limited to Rs.5 Crores.

iv. Power Subsidy: Power Tariff subsidy of Rs.1.50 per unit for Food Processing units for a period of 5 years from the date of commencement of commercial production.

3. In the reference 3rd read above, the Chief Executive Officer, A.P., Food Processing Society, Hyderabad has stated that the company purchased 10.00 Acres of land in Atchutapuram Industrial Estate, Visakhapatnam District of APIIC for establishing a Pepsi Bottling Unit. According to the applicant, the total investment on the Unit is Rs.100 Cr.in a phased manner. The Project has an employment potential of 400 persons directly and 800 persons indirectly when operations are at full capacity, besides around 200 persons will get employment as field sales executives and Managers. Besides, the distribution network with 450 distributors will employ around 1400 persons as Salesmen, Helpers, Loaders etc., A fleet of 100 dedicated transport vehicles will be engaged for transport, which will provide employment in Transport.

4. Government after careful examination of the report of the Chief Executive Officer, Andhra Pradesh Food Processing Society, Hyderabad hereby extend the benefits /incentives as eligible as per Andhra Pradesh Food Processing Policy, 2015-20 in relaxation of orders issued in the reference 1st read above.

5. The Chairman, AP Food Processing Society, Hyderabad/ the Chief Executive Officer, A.P, Food Processing Society, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M. GIRIJA SHANKAR,
SECRETARY TO GOVERNMENT(M&G & FP)

To
The Chairman, AP. Food Processing Society, Hyderabad.
The Chief Executive officer, Andhra Pradesh Food Processing Society
M/s Pearl Beverages Ltd., New Delhi, through the Director of Industries / Chief Executive officer, Andhra Pradesh Food Processing Society.
The Director of Industries, AP., Hyderabad.

Copy to:

The Finance (EBS-VIII) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Department.
The Law (J) Department.
The Industries and Commerce (Prog.III) Department.
The Accountant General, Andhra Pradesh, Hyderabad.
The Commissioner of Commercial Taxes, Hyderabad.
The Chairman & Managing Director, APTRANSCO., Hyderabad.
The Vice Chairman & Managing Director, APIIC, Hyderabad.
P.S. to Secretary to Chief Minister.
P.S. to Chief Secretary to Government.
P.S. to Secretary to Government , (M&G and FP) Ind.&Com., Dept.,
SC/SF.

//FORWARDED :: BY ORDER//

SECTION OFFICER